



## **Economic Impact Analysis Virginia Department of Planning and Budget**

---

### **18 VAC 110-20 – Regulations Governing the Practice of Pharmacy Department of Health Professions, Board of Pharmacy**

June 23, 2001

---

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. The analysis presented below represents DPB's best estimate of these economic impacts.

### **Summary of the Proposed Regulation**

In accordance with legislation passed by the 2000 General Assembly, the proposed amendment establishes a process for the review and approval by the Board of Pharmacy of innovative programs (pilot projects) for which some waiver of law or regulation would be required. These programs may include new processes or procedures that relate to the form or format of prescriptions, the manner of transmitting prescriptions or prescription information, the manner of required recordkeeping, the use of unlicensed ancillary personnel in the dispensing process, and the use of new technologies in the dispensing process. The Board is not authorized by the legislation, however, to expand the current scope of practice for pharmacists or to approve any program that would interfere with the dispensing of drugs in accordance with instructions from prescribers.

## **Estimated Economic Impact**

The proposed regulatory provision provides an incentive for businesses to think of new and creative ways to provide pharmacy services. The benefits of this proposal include the potential implementation of programs that may make pharmacy services more accessible and economical. The review and approval process ensures that the necessary safeguards are in place to waive a particular law or regulation without negatively affecting the quality of care for patients or increasing opportunities for the diversion of controlled substances.

There are no anticipated additional costs for the Board of Pharmacy, since all costs incurred in the review and approval of programs will be borne by the applicant. Since development and application for the approval of a pilot program is voluntary, it is reasonable to expect that businesses will not pursue this unless they perceive the potential benefits to be higher than the associated costs. While it is not possible to provide a measurement of the net economic impact of the proposed regulatory action without evaluating specific pilot program proposals, it is unlikely that the costs associated with the approval of any pharmacy pilot programs will outweigh the benefits to applicants and to consumers of pharmacy services.

## **Businesses and Entities Affected**

The proposed amendment could potentially affect any of the 1,500 pharmacies currently licensed in Virginia. During the first three months of the emergency regulation, one pharmacy applied and received approval for a pilot program.

## **Localities Particularly Affected**

The proposed amendment will not uniquely affect any particular localities.

## **Projected Impact on Employment**

The approval of pilot projects that increase the use of certain personnel or make use of technological advances could potentially have an impact on employment in Virginia. However, the direction and magnitude of this impact is not measurable without evaluating specific proposals.

## **Effects on the Use and Value of Private Property**

The approval of pilot projects that decrease the costs associated with the provision of pharmacy services could potentially increase the value of those businesses in that field.

However, the magnitude of this effect is not measurable without evaluating specific proposals.